

Agricultural Situation

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Looking Back . . .

THE 1959 CROP YEAR WAS A RECORD-MATCHER

A few minutes before 3 p.m. on December 16th, a locked door in the Department of Agriculture's big South Building in Washington was opened by a guard. Out came the Chairman of the Crop Reporting Board with an arm-full of 1959 Crop Production Reports. He walked directly to the release room about 50 feet away, "looking neither to the right nor left." Promptly at the stroke of 3 a representative of the Secretary of Agriculture's office said "go" and the 1959 Crop Production Report became the property of the American people.

Well, what did that big crop report show? Perhaps the most important and far-reaching fact the report revealed was that total crop production in 1959 matched the alltime high of 1958. What brought that about? It was largely the result of harvesting some 4 million more acres than in 1958, as yields were not as uniformly high for many crops.

The 1959 crop season was well above average for the Nation as a whole, in spite of serious difficulty in some sections of the country, especially in the northern Great Plains where drought



1959—Continued

in some areas was severe and devastating.

When it is desirable to size up the outcome of total crop production in some handy form, we usually express it in terms of an index. We put together the production of the various crops and express the sum of all those parts as percentages of some basic figure. In 1959 total crop production was 118 percent of the 1947-49 base and this equaled the outstanding record of 1958.

One of the main reasons for this record matching production in 1959 was the near-record yields per acre for corn and cotton on sharply expanded acreages. Record outturns of sugar crops, and fruits and nuts also helped.

Production Records

Even though total crop production equaled the previous record, only two field crops—corn and sugar beets—set new production records in 1959. The big corn crop followed the removal of acreage allotments in the commercial corn areas coupled with a Government price support of \$1.12 per bushel. The record production of sugar beets was due to a record yield on a big acreage.

The composite yield per acre index, covering 38 leading crops, was 135 percent of the 1947-49 basic period. While this was far short of the record 143 percent in 1958 it was well above the former high of 127 in 1957.

What caused this continued high yield per acre level? Such crops as sorghum, grain, sugar beets, rice, dry beans and peas, and velvet beans edged above former records, while major crops like corn, cotton and soybeans yielded just under the 1958 records. Other crops except flaxseed, buck-

wheat, and wild hay produced above average yields per acre. So when we put all these yields for the various crops together we find that the average was second highest of record.

The 1959 crop season was not without some serious difficulties. Spring planting was completed near the normal time despite difficulty in some sections. Winter wheat was seeded early in the fall of 1958, but dry soils slowed germination and early growth in central and southern Great Plains.

During the growing season there were times of excessive heat and short moisture supplies in many areas of the country. Dryness in the northern Great Plains was more intensive and dipped farther south than in 1958—bringing back thoughts of "dust bowl" days. At times the Southeast suffered from excessive moisture and at other times from insufficient moisture.

Crops in other sections such as central and southern Illinois were on the brink of failure from lack of moisture in late June and early July, but as so often happens the rains came in time. Fall freezes came earlier than usual in many northern sections.

Fall harvest was near completion early in December although delayed by rain and snow in many central areas. Despite these setbacks farmers never gave up, and by December 1 they had largely won the battle, although some sugar beets were frozen in the ground in some northern localities.

Acreage

American farmers planted something like 338 million acres of crops in 1958. This was slightly above the past 2 years, but otherwise the smallest in over 40 years. Farmers finally harvested a total of about 325 million acres.

(Continued on page 14)

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BREEDING INTENTIONS POINT TO A SMALLER SPRING PIG CROP

Reports from farmers and ranchers indicate intentions to farrow 7.3 million sows in the spring of 1960 (December 1959 through May 1960). This would be 12 percent fewer than a year earlier, and 10 percent below the 1948-57 average.

All regions of the country show a decline except the North Atlantic States which indicates a 2 percent increase. Decreases intended are: 15 percent in the West North Central States; 9 percent in the East North Central, South Atlantic, and South Central; and 7 percent in the West.

If breeding intentions for spring farrowings materialize and the number of pigs saved per litter equals about average, with an allowance for trend, the 1960 spring pig crop would be 11 percent smaller than a year earlier, indicating higher hog prices in the summer and fall of 1960 than in 1959. (See OUTLOOK, page 5.)

1959 Crop

The 1959 pig crop totaled 101.6 million head, 8 percent more than the 1958 crop of 94.5 million head. It was the largest crop since the record 121.8 million head produced in 1943.

The spring pig crop totaled 58.6 million head—12 percent above a year earlier. The increase in the spring crop resulted primarily from an increase in the number of sows farrowed. The spring crop averaged 7.07 pigs per litter, compared with 7.05 a year earlier.

The fall crop of 43 million head was 2 percent above the 1958 fall crop, and 21 percent above the 1948-57 average. The 1959 fall crop was the third largest of record, exceeded only by the crops of the war years 1942 and 1943. Five percent more sows farrowed in the fall of 1959 than in the previous year. This was partially offset by a 3 percent decline in pigs saved per litter.

10 Corn Belt States

The number of sows intended to farrow in 10 of the Corn Belt States in the spring of 1960 is 13 percent less than a year earlier. These 10 States, which accounted for 74 percent of our 1959 spring pig crop, are Ohio, Indiana, Illinois, Wisconsin, Minnesota, Iowa, Missouri, South Dakota, Nebraska, and Kansas.

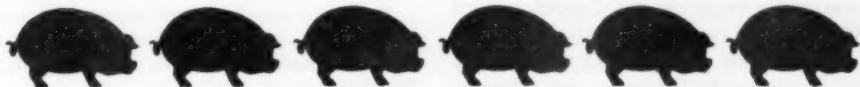
Present intentions indicate decreases in both the winter (December 1959-February 1960) and spring (March-May) quarters. The number of sows expected to farrow from December through February total 1.8 million head, 15 percent less than during this period a year earlier. The 3.5 million head intended for farrowing from March through May of 1960 in these 10 States are 11 percent less than in these months of 1959.

In the 10 States the number of sows farrowing in the fall of 1959 totaled 4.4 million head, 3 percent more than in fall of 1958. Sows farrowing from June through August totaled 2.4 million head, 5 percent more than in 1958. The number farrowed from September through November totaled almost 2 million head, up 2 percent from 1958.

Number on Farms

The number of all hogs and pigs on farms December 1 in 9 of the Corn Belt States, for which comparable data are available, totaled 41.5 million head, about the same as a year earlier. Hogs and pigs 6 months old and over for these States totaled 15.4 million, compared with 15.3 million on December 1, 1958. The number under 6 months of age—26.1 million head—was a little smaller than a year earlier.

H. V. Edwards
Agricultural Estimates Division, AMS



ARE YOU PREPARED FOR RADIOACTIVE FALLOUT?

If the enemy strikes with nuclear weapons—atomic and hydrogen bombs—you may have to protect yourself, your family, and your livestock from radioactive fallout.

What Is It?

Fallout is the term used to describe radioactive particles, produced by nuclear explosions, that fall to earth from the upper air. These particles give off destructive rays, which in certain situations can injure or kill human beings and animals. They also can make farm lands and crops dangerous to use.

Don't fool yourself into believing that you're safe because you're down on the farm. Fallout can settle anywhere—even in the most remote regions. If industrial areas are bombed, it is likely that small towns and rural areas in the downwind path will be endangered.

If the enemy attacks, first provide for your own safety and that of your family and neighbors. To do this you may initially have to ignore your livestock, your crops, and your land.

Your best protection from fallout is to remain indoors, preferably in a basement or cellar, and to avoid contact with contaminated objects. When in doubt seek shelter.

Booklet

USDA has prepared a booklet that will help you defend against radioactive fallout. Here are some of the questions the booklet answers: What is the best way to protect livestock from fallout? What measures should be taken to protect poultry? Are there treatments for reducing the fallout hazard on land?

Here's how you can get a free copy of the booklet: Write to the Office of

Information, USDA, Washington 25, D.C. Ask for a copy of Farmers' Bulletin No. 2107, "Defense Against Radioactive Fallout on the Farm."

Recent USDA Publications

Market News Service on Livestock, Meats, Wool. AMS 344.

This handy little folder is designed to acquaint you with USDA's livestock market news reporting. It briefly describes all phases of the service—what it is, how the data are collected and distributed, and the areas covered. Terms used in livestock market news reports are explained and livestock market news field office locations are listed.

Questions and Answers on the Packers and Stockyards Act for Livestock Producers. AMS 348.

If you're producing livestock you'll want to get hold of this little leaflet. It explains what the Packers and Stockyards Act is and gives details on the provisions that protect livestock producers. The folder describes regulations on weighing, protection of funds, accounting, facilities and rates, and open competition. It tells how the law is enforced and what a producer should do if he has a complaint or has suffered loss or damage in marketing his livestock. Such questions as "Who is regulated by the law?" and "What is a posted market?" are answered in simple, nontechnical language.

You may obtain a free copy of these publications by writing to the Marketing Information Division, AMS, USDA, Washington 25, D.C.



OUTLOOK

Livestock

Slaughter of hogs, sheep and lambs, and cattle was above a year earlier in October and November 1959. Average livestock prices fell below a year earlier as slaughter increased . . . probably will hold near current levels this winter.

Hog slaughter this winter will continue above a year ago due to the larger 1959 fall pig crop. Prices may show some seasonal strengthening during this period.

In the last half of 1960, hog slaughter will be less than the last half of 1959 because of a smaller 1960 spring pig crop in prospect. Hog prices next summer and fall will be higher than in 1959. (See story on page 3)

The 1959 lamb crop was up 2 percent. Sheep and lamb slaughter during July-November 1959 totaled about 10 percent larger than in these months in 1958. Hence, it appears likely that sheep and lamb slaughter this winter will drop below the relatively large slaughter rate of last winter. In early December slaughter lamb prices were \$2.50 to \$3.00 per 100 pounds below a year earlier. In contrast to the declining prices a year ago, prices this winter will probably show some recovery from present levels and by late winter may be above a year earlier.



Dairy

Consumption of fluid milk products in 1959 was slightly above 1958. Milk production was a little lower. This left

less milk for manufacturing. Butter, cheese, and evaporated milk production was below 1958. Prices for milk last fall were generally higher than in the fall of 1958. The quantity of butter and cheese purchased for price support from last April through November was equal to about 2 billion pounds of milk compared with 2.3 billion in the same period of 1958.

Eggs

With a smaller laying flock, supplies are likely to continue below a year earlier in the first half of 1960.



Broilers

Production is likely to continue below a year earlier in the first quarter of 1960, according to data on chick placements and egg settings. Prices have risen recently, and in some areas were above a year earlier for the first time in 1959.

Soybeans

Prices during harvest showed more strength than usual this year, averaging about 11¢ per bushel above support, and 5¢ above a year earlier in October-November. (See the story on page 10.)

Feed

Prices of grains and high-protein feed in the fall were averaging close to 1958 levels. Demand has been generally strong and big supplies are avail-



OUTLOOK

Continued

able. Delayed harvest due to wet weather in areas of the Corn Belt probably resulted in less seasonal decline in corn prices that might otherwise have occurred. But seasonal rise probably will fall short of the 23 percent increase registered from November to June 1957-58. The year's final crop report showed a feed grain production of 165.6 million tons in 1959, 5 percent above the 1958 record. Total supply of all feed concentrates is set at 263 million tons, up 7 percent. While domestic use and exports may exceed last year's record, the high production will result in a substantial boost in stocks next October 1.

Cotton

The year's final estimate placed the 1959 crop at 14.7 million bales of 500 pounds each. This was 3.2 million bales above the 1958 crop. The 1948-57 average is 14 million. The yield per acre averaged one pound short of the 1958 record of 466 pounds. The total cotton supply for 1959-60—crop plus carryover of 8.9 million bales, plus allowance for imports—adds to 23.7 million running bales. This is 3.4 million more than last year.

Potatoes

Supplies of potatoes available this winter are substantially smaller than the burdensome supplies of last winter. Production of fall crop potatoes of 165 million hundredweight was 17 million hundredweight less than last fall. Also, indicated production for winter harvest is down 17 percent from a year ago. However, diversion of fall crop potatoes for nonfood uses is expected to be much smaller this season than last, and available supplies appear ample to maintain food consumption at year earlier levels. Prices of potatoes both to the grower and at retail level are likely to remain substantially above the low levels of last season.

Drop In Rice Carryover Seen

A further reduction in the rice carryover is expected August 1, 1960 as a result of sharply increased exports. Tentative estimates are for 29 million hundredweight to be shipped abroad in 1959-60, over 9.3 million more than in 1958-59. Domestic use is estimated at 26.4 million cwt.—up slightly.

Such exports and domestic use would leave stocks next August 1 of about 13.6 million cwt., 13 percent less than a year earlier and 61 percent less than the 1956 record.

The carryover was 15.7 million cwt., in terms of rough rice, on August 1, 1959, less than half the record 34.6 million cwt. on August 1, 1956. This large reduction in the carryover in the the last three years reflects the record exports in 1956-57, the impact of the acreage reserve program in 1957-58, and lowered acreage allotments beginning in 1956.

Referendum

In the referendum held on December 15, producers approved rice quotas for 1960 by a 90.7 percent vote, according to the preliminary report. If about the same acreage of rice is seeded in 1960 as in 1959—the allotment is unchanged—and if yields are about equal to the average of the last three years, a crop of about 51 million cwt. would be produced, compared with 53.2 million in 1959, and the 1953-57 average of 53.1 million.

With domestic disappearance estimated at 26.6 million cwt., exports of 24.6 million cwt. would hold the carryover August 1, 1961 at the August 1960 estimated level. Exports of this size would be below the estimated 29 million cwt. for 1959-60, the 25.1 million in 1952-53, and the record 37.5 million exported in 1956-57, but above every other year.

Robert Post

Agricultural Economics Division, AMS

LITTLE CHANGE SEEN IN WINTER WHEAT

Seedings of winter wheat for all purposes last fall are estimated at 44.4 million acres, less than 1 percent smaller than the 44.6 million acres seeded in the fall of 1958 and 11 percent less than average. The 1960 winter crop, seeded in the fall of 1959, was planted under acreage allotments for all wheat of 55 million acres and with marketing quotas in effect—the same as last year.

A 1960 winter wheat crop of 926 million bushels is indicated, based on conditions as of December 1 and other factors. A crop of this size would be only 2 million bushels larger than the previous year, a sharp 21 percent less than the record crop of 1958 but would still be the fifth largest crop of record and 11 percent above average.

The final outturn of the crop will largely be influenced by weather before harvest as well as damage from insects and disease. The current forecast of production assumes normal weather, insect damage and disease for the remainder of the 1960 crop season. In the last 10 years, the average change in the United States production estimate from December 1 to harvest has been 129 million bushels, ranging from a maximum change of 273 million bushels to a minimum of 5 million bushels.

In contrast to the unfavorable shortage of early fall surface moisture in several important producing areas a year ago, most areas this fall were burdened with an abundance of moisture that delayed completing fall seedings. This resulted in a relatively late average seeding date and, although fields generally are up to good stands, only a limited amount of growth occurred prior to the arrival of cold weather.

Subsoil moisture supplies, in areas significant to crop production, are reported to be unusually good but the fall plant growth made only limited root penetration. If there is a prolonged onslaught of excessive winds or extremely low temperatures during the coming winter and early spring months, serious acreage losses due to wind erosion or winterkill could occur.

The indicated yield of 20.9 bushels per seeded acre for the United States is a little above the 1959 yield of 20.7 bushels and the average of 17.0 but well below the record 1958 yield of 26.9 bushels. Current conditions indicate that 10.2 percent of the acreage seeded for all purposes will not be harvested for grain compared with 9.2 percent for the 1959 crop and the average of 16.7 percent.

If it is assumed that the farmers will seed about the same acreage to spring wheat as the 13.4 million acres in 1959, and that average yields over the past 3 years of 19.1 bushels to the acre are obtained, a spring crop of about 260 million bushels would be produced. Adding this to the indicated winter wheat crop, a total production of nearly 1,200 million bushels would be indicated. This would be 5 percent above the 1959 crop and 9 percent above the 1949-58 average.

If domestic disappearance and exports total the same as the 1,055 million bushels estimated for 1959-60, the carryover at the end of the 1960-61 marketing year would be increased by about 130 million bushels over the estimated 1960 carryover. The carryover on July 1, 1959 was at an all time record high of 1,279 million bushels, 13 percent larger than the 1959 crop.

Robert Post
Agricultural Economics Division, AMS





Not MARKETED
under FEDERAL-STATE
QUALITY CONTROL PROGRAM



PRODUCED and MARKETED
under FEDERAL-STATE
QUALITY CONTROL PROGRAM



PRODUCED and MARKETED
under FEDERAL-STATE
QUALITY CONTROL PROGRAM



PRODUCED and MARKETED
under FEDERAL-STATE
QUALITY CONTROL PROGRAM



PRODUCED and MARKETED
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QUALITY CONTROL PROGRAM

A QUALITY CONTROL PROGRAM— NEW INCENTIVE FOR EGG PRODUCERS

Egg producers: A new USDA egg grading program has been developed that provides you with more of an incentive to produce high quality eggs. If you want to market your eggs under the program, you must produce them under optimum conditions according to USDA standards.

Top quality eggs produced under the program may carry the new grade designation—Fresh Fancy Quality—or the U.S. Grade AA shield. In either case, the shield is accompanied by the statement, "Produced and Marketed Under Federal-State Quality Control Program." U.S. Grade A eggs produced under the program will also carry that statement.

In most cases producers' benefits will come through selling eggs to packing stations that use the new program. But some producers' operations may be large enough to warrant the use of the grading service on the farm. In these cases a Federal-State grader would provide the service at the farm where the eggs would be graded, cartoned, and sold directly to the retailer or consumer.

Objective Method

Probably the most important feature of the new egg grading program is the use of an objective method to determine albumen quality.

Here's how it's done: The Government grader selects a small random sample of eggs, weighs each one, and then breaks them out. He then measures the height of the albumen or thick white with a micrometer, and inspects the yolk condition. The albumen height adjusted according to the weight of the egg is expressed in

terms of a "Haugh" unit score. Top quality eggs, such as those packed under the Fresh Fancy Quality or Grade AA label, range from 72 to about 100 Haugh units.

A laying flock's qualification for the controlled quality egg grading program is based on the Haugh unit scoring of sample eggs. A minimum moving average, which is the average of the four latest weeks, must be maintained on the basis of the continuous testing of samples of deliveries from the qualifying flocks. Constant control of temperature and humidity levels and promptness in handling from the farm through the retail store are other important essentials.

Requirements

You must meet several requirements to have your eggs graded Fresh Fancy Quality or U.S. Grade AA under the new program.

First, a random sample of 25 eggs from your flock must average 76 Haugh units or two such samples drawn in consecutive weeks must average 73 Haugh units. Not more than one egg may measure less than 55 Haugh units in the test. And no egg may have a serious yolk defect.

Once you get into the program, you have to meet certain specifications to remain in it. The flock must maintain a moving average of 72 Haugh units or more and have no weekly average less than 68 Haugh units. Not more than one egg in any sample of 10 eggs may measure less than 55 units. No serious yolk defects are allowed.

The eggs must be gathered at least two or three times daily. After gathering, the eggs must be cooled immedi-

ately and held at a constant temperature of 60 degrees F., or below, and at about 70 percent relative humidity until they reach the consumer. In addition any necessary cleaning or processing (shell treating) of the eggs must be accomplished in a sanitary fashion approved by USDA.

You must pack the eggs from each flock separately in cases marked to show their identity. The requirements are that a flock must not contain hens that vary more than 60 days in their age.

Eggs with shells not meeting the requirements for AA quality, and those with blood spots, or checks, as well as loss eggs, must be removed before packaging and labeling. The egg size and grade must be specified on the carton.

"Pull" Date

A "pull" or expiration date, not more than 10 days from the testing date, has to be fixed on the cartons or sealing tapes. After that date, eggs must be removed from the labeled cartons or the official grade mark obliterated.

Requirements are practically the same for eggs handled under the program for U.S. Grade A, except that the minimum Haugh unit average is lower.

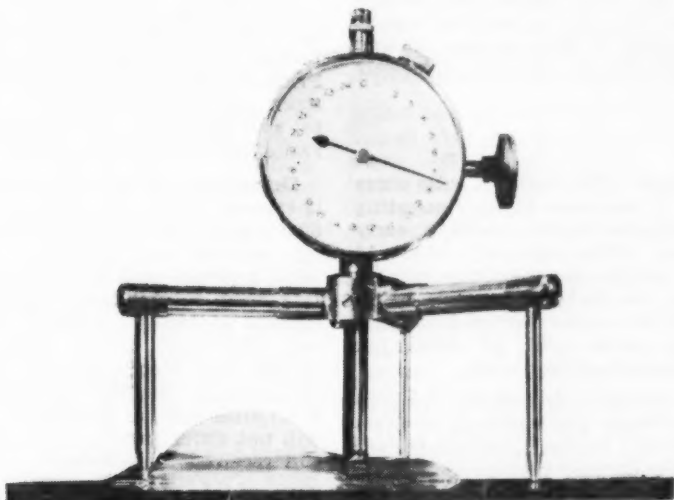
Also, in this case a flock is defined as hens located on the same farm.

USDA graders are responsible for sampling, testing, and recordkeeping. They make periodic checks to make sure that production and distribution requirements are met. The graders sample and test 5 or 10 eggs, depending upon the average score, once a week from each flock, either at the packing plant or at the farm if the producer ships his eggs direct to the retailer.

The regular grading program, serving the poultry farmer since the 1920's, will also remain in use. It involves the candling of individual eggs to determine their interior quality.

The new grading system, however, definitely offers a more objective measurement of quality. It is designed to meet the needs of the producers and handlers, both now and in the future. It is adaptable to new mechanized methods of handling eggs, including the electronic blood spot and check detectors, flash or bulk handling, and other mechanical selection devices.

In many instances, the new system will make possible greater efficiency in the grading and packing of eggs than is possible under the conventional hand-candling system.



This micrometer plays an important part in USDA's new quality control program. It is used to measure the height of the thick white of the egg.

SOYBEAN SUPPLY AND DEMAND MIGHT BE IN CLOSER BALANCE

It looks like 600 million bushels of soybeans will be available during the 1959-60 marketing year that began October 1, 1959, about the same as last year's record supply. The 1959 soybean crop was down about 7 percent from 1958, but carryover stocks of beans last October 1, were about triple the 21 million bushels carried over a year earlier.

The 1959 soybean crop brings supplies in closer balance with market outlets than during the last marketing year, mainly because of the prospective increase in bean exports. Soybean prices to farmers during October-December 1959 averaged slightly above the support price of \$1.85 a bushel and a bit above farm prices a year earlier.

Soybean prices were stronger than usual during harvest in 1959. The price strength mainly reflected delayed harvesting and marketings due to wet weather; the large quantities stored by farmers; and strong export and crusher demand. Of the 62 million bushels of soybeans carried over on October 1, CCC owned 42 million bushels and another 13 million bushels were resealed in farm storage, leaving "free" supplies of soybeans relatively tight.

CCC

As a result CCC soybean sales since October 1 have been brisk, amounting to 28 million bushels through early December. This left only about 14 million bushels in the Corporation's inventory at that time. CCC beans are being offered for sale at a national minimum sales price of \$2.05 per bushel through March 1960.

Prices received by farmers for soybeans probably will continue to average above the support price during the remainder of the 1959-60 marketing year as demand for beans continues strong. The 1959 season average soybean price is estimated at \$2.02 a bushel compared with \$2.00 last year.

Requirements for soybean meal indicate that soybean crushings may total 400 million bushels or more in 1959-60. The trade estimates that soybean crushing capacity will be about 500 million bushels in 1959-60, compared with 450 million this past season. A bean crush of 400 million bushels would produce over a billion pounds of soybean oil in excess of domestic requirements. This oil would be available for export or for addition to carryover stocks.

Prices of crude soybean oil at Decatur during the 1959-60 marketing year will likely average somewhat lower than last season's 9.5 cents a pound. Why? Because despite record demand for food fats, output of competitive cottonseed oil and lard is increased sharply and export prospects for soybean oil are not as favorable this year as last.

Meal Demand

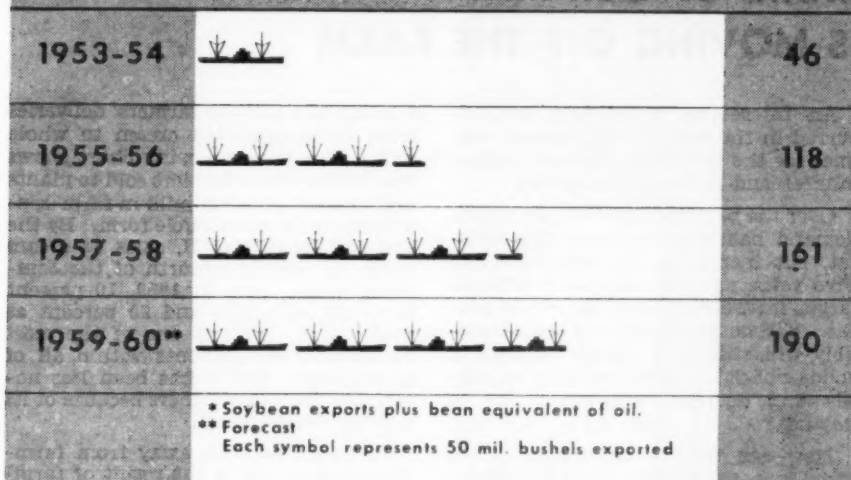
We expect domestic demand for soybean meal to continue strong in 1959-60. Poultry requirements will remain high and a large number of hogs will be raised and fed along with a high feeding rate of protein per animal unit. Prices of some of the livestock and livestock products, however, are expected to average lower and feeding price ratios may not be as high as in 1958-59.

Demand for meal in Western Europe is expected to be greater than in 1958-59 due to the effect of extended drought on pasture and roughage supplies. With soybean meal supplies in Argentina down substantially, soybean meal exports in 1959-60 probably will rise well above the 512,000 tons shipped abroad last season. Current prospects indicate that the average price of soybean meal bulk, at Decatur in 1959-60, will not differ greatly from the \$56 a ton received in 1958-59.

Exports have become an increasingly important outlet for soybeans and soybean products. Over a third of the record 1958 soybean crop was shipped

SOYBEAN EXPORTS HAVE BEEN INCREASING

(Millions of Bushels)



abroad—110 million bushels as beans and the equivalent of another 88 million bushels as soybean oil.

Our major foreign customers—Japan, Germany, the Netherlands, and Canada—took 81 million bushels from us during 1958-59, about 75 percent of our soybean exports.

With strong foreign demand for beans, exports during the current marketing year likely will set a new record of at least 125 million bushels compared with 110 million in 1958-59. The increase is expected to go mainly to Western Europe. But exports to Japan may also be a little larger. Western Europe will need to increase imports of oilseeds and/or oilseed products if consumption is to be maintained because of limited supplies of oilseeds from other exporting countries.

Japan probably will continue to rely on the United States for imports of beans because of her break in trade relations with Communist China. Japan's consumption requirements are also up.

If crusher and export demand turns out as strong as now expected, soybean carryover stocks on October 1, 1960 would be in the neighborhood of 45 million bushels, down about one-fourth from last year's peak.

During the 1959-60 marketing year, output of cottonseed oil is expected to increase about 20 percent and lard 7 percent. If the soybean crush turns out as large as the probable meal demand indicates, about 4.3 billion pounds of soybean oil and 9.4 million tons of soybean meal would be produced. Our population increase should take a total of about 125 million pounds of the three food fats, making an additional 400 million pounds available for export.

The 1959-60 outlook is for another banner year for U.S. exports of soybeans, edible oils, and lard. Without taking into account the possible effect of foreign buying to build up stocks, current indications are that exports of food fats and oils (including the oil equivalent of soybeans) through September 1960 may total about 3.6 billion pounds compared with 3.3 billion shipped out in 1958-59. Exports of soybeans and lard are expected to be up sharply from last year whereas edible oil shipments will continue heavy. Exports of edible oils under Government programs will be down whereas dollar shipments will be greater than last year.

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MORE OF OUR MILK IS MOVING OFF THE FARM

An interesting about-face has occurred in the supply and demand balance for the two components of milk—milkfat and milk solids-not-fat.

Over the past two decades, per capita demand has been declining for milkfat, but increasing for solids-not-fat. Five years ago, the surplus was much larger for milkfat than for solids-not-fat. Yet, despite all of this there probably will still be a sizable surplus of solids-not-fat in 1960 but milkfat supply and demand will nearly be in balance.

How can this be explained? Over the years, practically all of the milkfat produced has been used for food, but a large reservoir of solids-not-fat has been kept on farms and fed to animals. In the last five years an expanded population has increased total demands. So, in the face of little gain in milk output, milkfat demands moved into a close balance with supplies.

But commercial market supplies of milk solids-not-fat have continued to expand much faster than milk production. Market supplies of solids-not-fat have grown faster than total demands, even though per capita demand has been increasing.

The increase in milk production has had relatively little to do with the increased market supply of milk solids-not-fat. For example, from 1945 to 1958, annual milk production in the United States increased only 5 billion pounds. Yet, in the same period, sales of whole milk by farmers increased over 30 billion pounds.

Some of the increased supply came from decreased consumption by people on farms, as population on farms dropped. Also, there was reduced output of farm-made butter and smaller farmers' sales of milk directly to consumers.

Nearly half of the 30-billion pound increase in whole milk sales came as

a result of a shift in farmers' deliveries from farm-separated cream to whole milk. The accompanying chart shows that in the 1930's farmers sold to plants and dealers as much milk in farm-separated cream as in whole form. By the end of World War II, sales as cream made up only one-fourth of the combined sales. And in 1959, 10 percent was sold as cream and 90 percent as whole milk. This is one of the most remarkable adjustments within all of agriculture. But it has been less noticeable than some others because of its gradual development.

In part this shift away from farm-separated cream is the result of farmers specializing more in their operations. But essential to the transition was an expansion of the market for milk solids-not-fat. And not all of it, by any means, has gone into nonfat dry milk. This might be supposed, since the Government is buying half the annual output of that product under the price support program.

The quantity of milk solids-not-fat delivered to processing plants increased from 3.9 billion pounds in 1939 to over 9.0 billion in 1959. Of this 5 billion-plus increase 33 percent went into fluid milk items, 10 percent each into cheese and frozen dairy products, and 27 percent into nonfat dry milk. The remaining 20 percent went into several other items.

Practically all of the increase in products other than nonfat dry milk was the result of a solid increase in domestic commercial demand. Even a sizable part of the rise in nonfat dry milk reflects increased demand.

Per capita use of nonfat dry milk rose from 2.2 pounds in 1939 to about 5 pounds in 1959. Total use of nonfat dry milk increased from 285 million pounds in 1939 to 822 million in 1959. In addition, in 1959, domestic food use from price support supplies amounted to 158 million pounds, making a total of 980 million pounds for that year.

In the 1953-54 marketing year, the Commodity Credit Corporation purchased about 10 percent of the milkfat produced, in the form of butter and cheese, for price support. The solids-not-fat acquired amounted to only 7 percent. But by 1958-59, when only 3 percent of the milkfat produced was acquired for price support, purchases of milk solids-not-fat amounted to 8 percent of output on farms.

But under the conditions prevailing, production of nonfat dry milk would have increased considerably even if it had not been purchased in such large volume by the Government.

Production of nonfat dry milk has been increasing steadily since World War I. The volume increased tenfold during the 20's and 30's, reaching a level of 268 million pounds in 1939. Output was stepped up materially during World War II and reached 682 million pounds by 1948. This increase was encouraged by wartime Government programs involving equipment priorities, tax amortization, lend-lease financing, increased Government buying prices, wartime distribution controls, and immediate postwar procurement of nonfat dry milk for foreign rehabilitation.

In 1958 and 1959 output of nonfat dry milk each year was a little over 1,700 million pounds. Of the 1959 output, about 700 million pounds, or 41 percent, were delivered to the Government, largely for price-support.

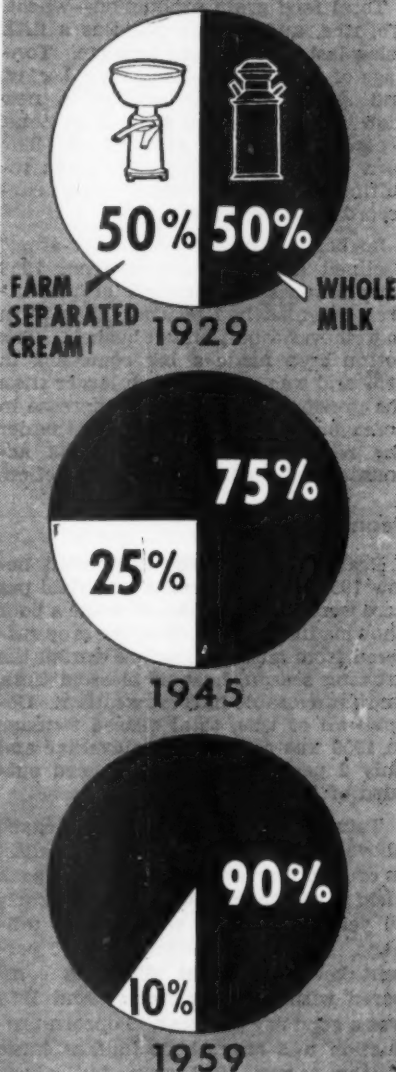
In 1959, farmers separated over 10 billion pounds of milk on their farms and sold the fat in cream. The solids-not-fat contained in this milk would be enough to produce over 800 million pounds of nonfat dry milk. But since the transition from the sale of farm-separated cream to whole milk is more than two-thirds completed, further changes can be expected to stretch out over a number of years.

Per capita as well as total commercial demand for the solids-not-fat of milk probably will continue to increase. The expanded commercial market for milk solids-not-fat has helped increase farmers' cash receipts from the sale of dairy products.

Herbert Kriesel
Agricultural Economics Division, AMS

THE SHIFT FROM FARM-SEPARATED CREAM TO WHOLE MILK

Percent of Sales by
Dairy Farmers to
Plants and Dealers



1959—Continued

slightly larger than the previous 3 years, but otherwise the lowest since 1939. Corn was increased over 11 million acres and cotton over 3 million. However, hay was decreased nearly 4 million acres, oats over 3 million and both soybeans and sorghum grain over a million. The total increase in harvested acreage was about 4 million acres.

Total food grain production—wheat, rye, rice, and buckwheat—was a fifth below last year's record tonnage. Tonnage of feed grains—corn, oats, barley, and sorghum grain—reached a new high in 1959 of about 166 million tons, 5 percent above the 1958 record. The corn crop was exceptionally large resulting from a big acreage, and a near-record yield per acre.

Soybeans, America's "wonder crop," declined about 7 percent from 1958 after 5 years of successive annual increases which had pushed the outturn to well over a half billion bushels. The cotton crop made a big comeback in 1959 and was over a fourth larger than the previous year. A large increase in acreage and a yield per acre just under the record large yields of 1958 accounted for the increase in production.

Peanuts

Peanut tonnage was 13 percent below 1958 as both acreage and yield per acre were lower. Flaxseed made a poor showing in 1959. Much of the crop suffered from lack of moisture during the growing season, heat at blossom time, and unfavorable harvest weather. Despite all of this, total oilseed tonnage in 1959 was a third above average and only 2 percent below the record outturn of 1958.

Total tobacco production edged above 1958, but was the third smallest in over 15 years. In sugar beets, a peak yield from the largest acreage in nearly 10 years gave us a record large tonnage. Dry bean production was 5 percent below 1958, but still high compared with previous crops. And 1959 was a good dry pea year. Popcorn production was only about half as large as the record 1958 crop, but above average.

Potato production was 9 percent below the relatively large 1958 crop, but still 6 percent above average.

The 1959 season was relatively good for seeds throughout most of the country. Production of 27 important kinds of seed used for hay, pasture, turf, and winter cover totaled 790 million pounds, over 5 percent above 1958, but still 14 percent below average.

Production of the principal fresh market and processed vegetables in 1959 was below a year earlier. Fresh vegetable production was near average and processed vegetable production 9 percent above average.

Fruits and Nuts

Combined production of fruits and tree nuts in 1959 was a record high—3 percent above last year and 9 percent above average. A peek at the citrus crop now being harvested indicates over 8 million tons, about 3 percent above the previous season and 11 percent more than average.

Well that's a bird's-eye view of the big crop production picture for 1959.

The Crop Reporting Board's report that sized up the 1959 crop included over 100 pages of information. As soon as it was released it went to all parts of the country—even to foreign countries. It took lots of planning, much of which was done a year or more in advance, to insure that it would be promptly released for all to see. This vast store of information for the people of this Nation, second to none anywhere in the world, was made possible through the cooperation of the thousands of farmers—crop reporters who provided the Crop Reporting Board with information on their farming operations during 1959. It will be interesting to see what 1960 holds for us.

Charles E. Burkhead
Agricultural Estimates Division, AMS

The Farmer's Share

The farmer's share of the consumer's food dollar was 38 cents in October, the same as in September and August. In October 1958 the farmer's share was 39 percent.

"Bert" Newell's Letter

Old Aunt (we pronounced it "Ant") Caroline who used to work occasionally for mother was opposed to automobiles. They were a product of the devil, they made too much noise, they scared "hosses," ran over people, and no good would ever come to anyone who had anything to do with one of them. When father got his first car, a 1909 two-cylinder Maxwell, she gave up hope for our salvation and almost refused to do the washing anymore.

Once after a big wash on a hot day, my brother—more out of mischief than anything else—offered to take her home. She looked him over with a cold eye, but it was a long hot walk to her little cabin on what we used to call "the hill," and probably harboring a sneaking desire to ride in one of those contraptions anyway, she finally accepted his offer.

She got in—with those early cars it was more like getting on than in—but when my brother cranked the engine and it started with a loud pop, she hit the ground in one jump. The fastest move I ever saw her make, but we coaxed her back. She set her bundle—you remember they always carried a bundle of something or other—on the floor of the car, leaned forward and took hold of the windshield brace with both hands. With eyes rolling widely, they took off. From the account it was *some* ride, with my brother holding her in with one hand and driving with the other; we weren't as expert one-hand drivers then as we got to be later and as youngsters appear to be nowadays. The payoff though was Aunt Caroline bragging to all of her friends on the hill, and her opinion of "some of them no 'counts that walks up the middle of the road paying no 'tention to nobody."

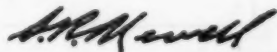
What a difference the point of view makes. A few years back, there was a fellow who was always complaining that the estimates were too high for a certain crop. No matter what we

came out with or how conclusively the final check supported the estimate, he still contended we were too high. A little later on, marketing quotas were instituted wherein the higher the production, the larger the marketing quota. His opinion changed overnight, and we could never get a figure high enough.

We sometimes get caught in a similar bind with the folks on one side trying to get a report delayed or eliminated, while those predominantly on the other side want a more comprehensive, earlier report. We had the experience once when a whole group in an area producing one of the specialty crops succeeded in getting a report dropped entirely. The next year the very same group came back and wanted the report reinstated. Is it any wonder that fellows in our position lose their hair and get wry necks trying to look both ways at the same time?

It all boils down to the very fundamental truth that no matter which side a person—buyer or seller—happens to be on at the moment he is better off with the plain unbiased facts. The Crop and Livestock Reporting Service was first started because farmers insisted they were getting the "short end of the stick" in the marketplace. They came to the conclusion that honest, reliable reports everyone could depend on would go far in correcting that situation. So this Service was started and has been carried on now for over a century for just one purpose: To provide the kind of factual information everyone can use. Of course, nowadays everybody—farmers, businessmen, consumers, and all the rest—realize that this Crop and Livestock Reporting Service exerts a very powerful stabilizing influence on the entire economy.

So, when one of these reports seems to be "agin you," remember that there is another side to be considered. Like old Aunt Caroline, you might be riding next time when the other side is walking. The point of view can change awfully quick.



S. R. Newell
Chairman, Crop Reporting Board, AMS

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